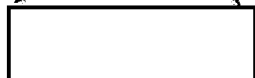


ed For Release 2007/05/07 : CIA-RDP83M00914R0003000



DCI said only covering note from  
PFIAB and first two pages of report  
should go to addressees.

Debbie

ed For Release 2007/05/07 : CIA-RDP83M00914R0003000

# EXECUTIVE SECRETARIAT

## Routing Slip

TO:

|          |           | ACTION | INFO                 | DATE | INITIAL |
|----------|-----------|--------|----------------------|------|---------|
| 1        | DCI       |        | X                    |      |         |
| 2        | DDCI      |        | X                    |      |         |
| 3        | EXDIR     |        | X                    |      |         |
| 4        | D/ICS     |        |                      |      |         |
| 5        | DDI       |        | X                    |      |         |
| 6        | DDA       |        |                      |      |         |
| 7        | DDO       |        |                      |      |         |
| 8        | DDS&T     |        |                      |      |         |
| 9        | Chm/NIC   |        | X                    |      |         |
| 10       | GC        |        |                      |      |         |
| 11       | IG        |        |                      |      |         |
| 12       | Compt     |        |                      |      |         |
| 13       | D/EEO     |        |                      |      |         |
| 14       | D/Pers    |        |                      |      |         |
| 15       | D/OEA     |        |                      |      |         |
| 16       | C/PAD/OEA |        |                      |      |         |
| 17       | SA/IA     |        |                      |      |         |
| 18       | AO/DCI    |        |                      |      |         |
| 19       | C/IPD/OIS |        |                      |      |         |
| 20       | SA/DCI    |        | X (Attn: [redacted]) |      |         |
| 21       | D/OGI     |        | X                    |      |         |
| 22       | NIO/Econ  |        | X                    |      |         |
| SUSPENSE |           | Date   |                      |      |         |

Remarks:

3637 (10-81)

D/Executive Secretary  
14 June 82

Date

Executive Registry

82-5219/3

14 June 1982

MEMORANDUM FOR: Deputy Director of Central Intelligence  
Deputy Director for Intelligence  
Chairman, National Intelligence Council  
Associate Deputy Director for Intelligence  
National Intelligence Officer for Economics  
Director, Office of Global Issues  
[redacted] SA/DCI

STAT

FROM: Director of Central Intelligence  
SUBJECT: 1976 PFIAB Economic Intelligence Report

This just came to me from the President's Foreign Intelligence Advisory Board.

C  
William J. Casey

Attachment

B204

82-5219/2

THE WHITE HOUSE

WASHINGTON

PRESIDENT'S FOREIGN INTELLIGENCE ADVISORY BOARD

June 4, 1982

Dear Mr. Casey:

Leo Cherne asked that I send you a copy of your 1976 Economic Intelligence report to the PFIAB.

In looking over this work I must say you were "right on the target".

All the best.

Sincerely,



FRED R. DEMECH  
Captain, U.S. Navy  
Deputy Executive Director

The Honorable William J. Casey  
Director of Central Intelligence  
Central Intelligence Agency  
Washington, D.C. 20505

Enclosure  
a/s

October 6, 1976

MEMORANDUM

TO: All PFIAB Members

FROM: William J. Casey

SUBJECT: Economic Intelligence for the Future

-----

Over the period 1977-85 policy makers will have a need for more precise intelligence and estimates on

- the level of the Soviet military effort and its impact on the Russian people
- the stability and the vulnerabilities of the Soviet economy and its ability to carry the military burden placed upon it
- the economic leverage we may have to induce the Soviets to scale down their military effort
- the significance of technological, financial and organizational impacts provided by the West to the growth and vigor of the Soviet economy and its ability to sustain a high level of military effort
- the economic vulnerability of Europe, Japan and the less developed world and the degree to which our adversaries are seeking to exploit those vulnerabilities to achieve political power or military advantage
- how the arrangements arising from increasing efforts to co-ordinate economic policies for the advanced free economies are working and how well they are being adhered to
- who is benefitting and what are the consequences flowing from international agreements to establish commodity reserves and maintain prices
- what economic political initiatives are other countries taking to secure special protection with respect to sources of energy and other critical resources around the world - what are the opportunities for us to secure our own needs for energy and mineral resources

- what are our political adversaries and economic competitors doing to make other important countries technologically dependent on them
- what is the net cost to us of trade in technology in terms of the trade balance, exchange rates, employment and government revenue
- to what degree are our political adversaries and our economic rivals stacking the terms of trade by pricing to milk other countries, as the Soviets have done with Eastern Europe, or by trade barriers to freeze us out markets as the European Community's associate memberships may do
- what imminent or likely technological breakthroughs could have serious impact on our economic position in the world

There is no pretense that this is an exhaustive list. It is intended to illustrate the kind of broad possibilities to which policymakers should be alerted over the years ahead.

When one is asked what new intelligence requirements will emerge in the future, the first reaction is to think of additional information which should be acquired or facts which are lacking. Except in a relatively few areas, it appears that the economic information needed for policy formulation is openly available. There will always be targets of opportunity on which it would be useful to know what someone wants or is about to do. But, except in matters relating to national security in a pressing manner, I do not consider this very important. There are not many basic economic facts that do not emerge openly in the process of development and trade.

Where we are deficient is in the analysis of this information, in understanding relationships, the objectives of others, the pressures being generated, the implications for us. What we don't have as far as I have been able to determine is a comprehensive economic analysis of the elements of economic strength in the modern world and how economic strength is and can be converted into military strength and political power. Just how does the acquisition of technology, the development of resources, the availability of financing and efficiency in organization, production and marketing contribute to military strength and political power.

Until we have done that analytical work to our satisfaction, we will not be able to sufficiently identify the economic and nonmilitary technological intelligence we should be getting. We will not know how to evaluate and use the economic intelligence we do acquire.